

**POLICY NUMBER: POL-101**

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**Chapter:**  
**BOARD OF DIRECTORS**

**Subject:**  
**EXECUTIVE LIMITATIONS, FINANCIAL PLANNING AND BUDGETING**

**Effective Date:**  
**January 23, 2003**

**Last Update:**  
**December 5, 2024**

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**PURPOSE:**

The purpose of this policy is to set out Chief Executive Officer (CEO) responsibilities for financial planning and budgeting.

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**REFERENCE:**

*Workers Compensation Act*, R.S.P.E.I. 1988, Cap. W-7.1, Section(s) 30(2)  
*Occupational Health and Safety Act*, R.S.P.E.I. 1988, Cap. 0-1.01, Section(s) 5(1)  
Workers Compensation Board (WCB) Policy, POL-36, Investment of Board Funds  
WCB Policy, POL-40, Board – CEO Relationship, Delegation to the CEO  
WCB Policy, POL-100, Executive Limitations, Financial Condition and Activities  
WCB Policy, POL-112, Board – CEO Relationship, Monitoring CEO Performance  
WCB Policy, POL-136, Funding Policy

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**DEFINITION:**

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**POLICY:**

1. The CEO shall not allow budgeting for any fiscal year or the remaining part of any fiscal year to deviate materially from WCB *Ends* priorities, risk fiscal jeopardy, or fail to be derived from a multi-year plan.
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Accordingly, they shall not allow budgeting which:

- A. Contains too little information to enable credible projection of revenue and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
- B. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
- C. Provides less for Board of Directors' prerogatives during the year than is set forth in the Board of Directors' annual agenda.

**Monitoring**

- 2. This policy will be monitored by the Board of Directors through the annual budget and rate setting process and in accordance with the annual monitoring schedule as set out in WCB policy, POL-112, Board - CEO Relationship, Monitoring CEO Performance.

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**HISTORY:**

December 5, 2024 – Editorial changes to be consistent with other governance policies, amendments to clarify that the policy will be monitored through the annual budget and rate setting process, and non-substantive amendments throughout policy.

May 9, 2019 – Added a purpose statement and reference to the annual monitoring schedule.

October 24, 2013 – Amended to remove section 1(d).

October 4, 2012 – Editorial changes made to the policy as a result of a review by the Board of Directors.

April 4, 2006 – Editorial changes made to the policy as a result of a review by the Board of Directors.

Board of Directors Approval Date: January 23, 2003